

Message Text

UNCLASSIFIED

PAGE 01 BONN 09313 281805 Z

51

ACTION EUR-25

INFO OCT-01 ADP-00 EB-11 AID-20 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

L-03 H-02 PA-03 PRS-01 USIA-12 RSR-01 /156 W

----- 077137

R 281704 Z JUN 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 5996

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS BONN 9313

DEPARTMENT PASS TREASURY AND FEDERL RESERVE

E. O. 11652: N/ A

TAGS: EFIN, ECON, GW

SUBJECT: FINANCIAL PLANNING COUNCIL AGREES ON PUBLIC SECTOR
RESTRAINT THROUGH 1974

REF: (A) BONN A-353; (B) BONN 6746

1. YESTERDAY' S MEETING OF THE PUBLIC SECTOR FINANCIAL
PLANNING COUNCIL BROUGHT AGREEMENT ON THE NEED FOR CONTINUED
RESTRAINT AT ALL LEVELS OF GOVERNMENT FOR THE REST OF 1973.
THIS INVOLVES NOT ONLY ADHERENCE TO THE DECREE TO LIMIT
PUBLIC SECTOR BORROWING IN 1973 TO DM 5.5 BILLION (SEE FIRST
PARA OF REF A), BUT ALSO STERILIZATION OF TAX RECEIPTS
ABOVE BUDGETED LEVELS AND REDUCTION OF PUBLIC SPENDING
PLANS AS OUTLINED IN REF B (SEE ITEMS 7 AND 5, RESPECTIVELY).

2. THE COUNCIL ALSO AGREED THAT THE FORTHCOMING 1974 DRAFT
BUDGETS AT ALL LEVELS OF GOVERNMENT MUST BE PREDOMINATELY
STABILITY- ORIENTED. TO THIS END, FINANCE MINISTER SCHMIDT
HAD PROPOSED TO OFFICIALLY LIMIT THE RATE OF GROWTH OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 09313 281805 Z

EXPENDITURES OF THE PUBLIC SECTOR AS A WHOLE TO 10.9 PERCENT
IN 1974 (OVER 1973). THIS PROPOSAL WAS APPROVED BY MAJORITY
VOTE, WHILE THE MINORITY WANTED TO SEE BASIC SPENDING PLANS AND
PRIORITIES WORKED OUT FIRST.

3. SCHMIDT ANNOUNCED THAT THE 1973 ANTI- INFLATIONARY
PROGRAM WILL BE FOLLOWED IN 1974 BY DECREES TO LIMIT PUBLIC
SECTOR BORROWING AND TO BUILD UP COUNTERCYCLICAL RESERVES,
IF SO WARRANTED BY THE UNDERLYING BUSINESS SITUATION.
HILLENBRAND

UNCLASSIFIED

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts:
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BONN09313
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730632/aaaajftp.tel
Line Count: 76
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 24 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24-Aug-2001 by cunninfx>; APPROVED <27-Aug-2001 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> srp 980304
Subject: FINANCIAL PLANNING COUNCIL AGREES ON PUBLIC
TAGS: ECON, EFIN, GW
To: EUR
SECSTATE WASHDC INFO EC BRUSSELS
OECD PARIS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005